



Commission on Equitable Early Childhood Education and Care Funding

Management & Oversight Working Group
Meeting #7

August 27, 2020

Meeting reminders

- Add your name to your Zoom (click on the 3 dots)
- Consider being on video to help with overall engagement
- Mute self when not speaking
- Use Raise Hand function or Chat for questions (send to everyone)
- Technical issues can happen to anyone – chat privately to Bethany for any needs
- If you are experiencing an unstable connection - switch to phone call or close other applications
- Members of the public will have an opportunity to speak at the end of the meeting



Today's Goals



Recap on the **progress we have made thus far** and feedback from the **most recent Commission meeting**



State agency considerations

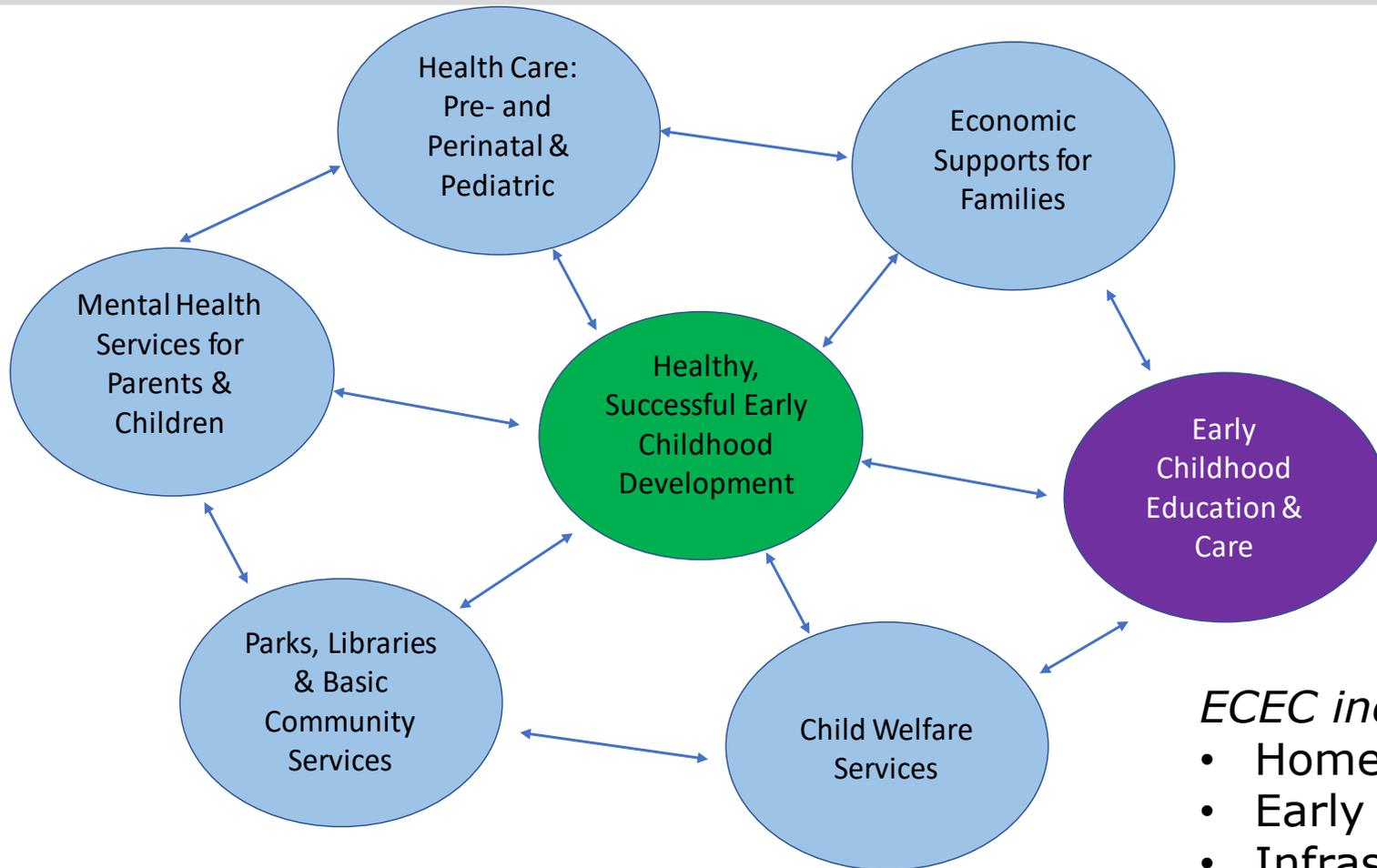


Identify priorities for the **Technical Working Group**

Today's Time Spent

Agenda Item	Timing
Recap progress	15 min
State agency considerations	80 min
Technical working group priorities	15 min
Next Steps	5 min
Public Comment	5 min

The Commission is focusing specifically on the Early Childhood Education & Care system



- ECEC includes:*
- Home visiting
 - Early learning
 - Infrastructure for these services

Management & Oversight Charge

Goal: *recommend improved ECEC management structures and responsibilities, in alignment with Guiding Principles*

Key Questions to Answer:

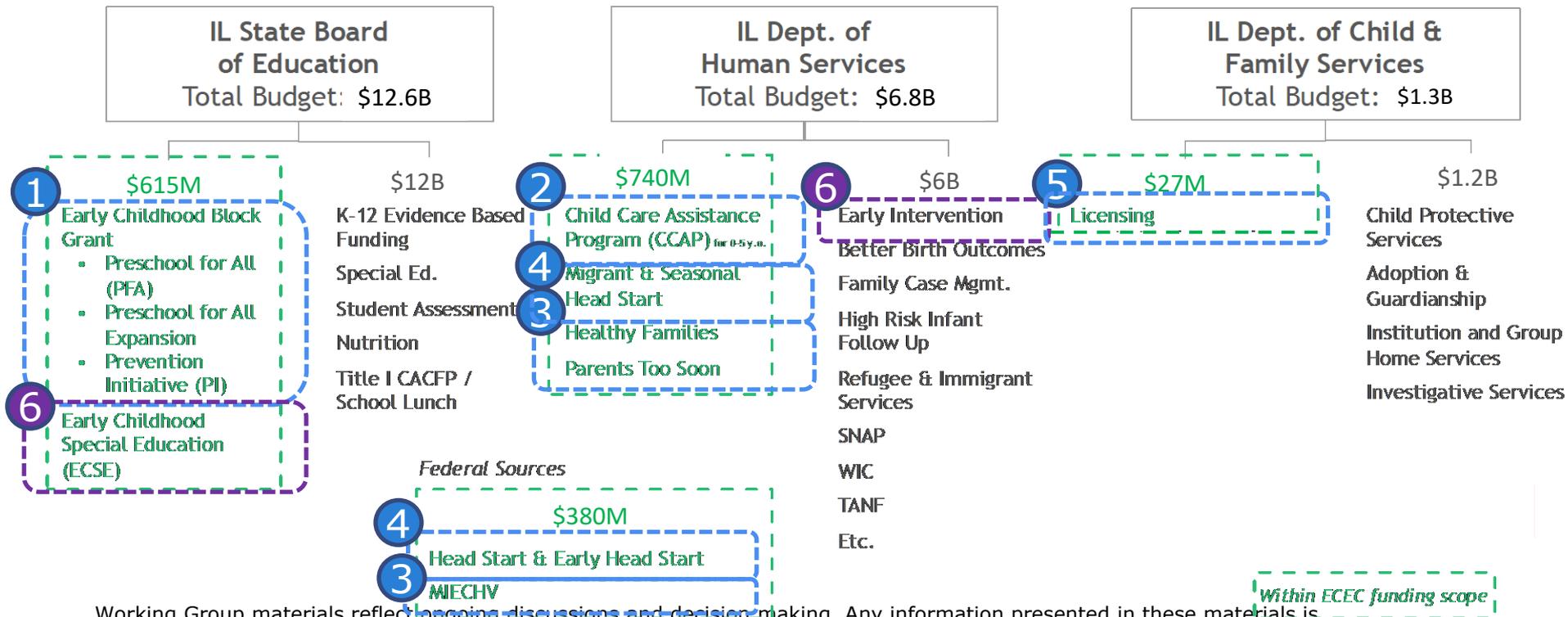
- Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?
- Who allocates funds and distributes them?
- Who holds recipients accountable for what they do with funding?

Recap of Progress

Reminder: Current governance situation across three agencies

1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting
4. Head Start
5. Licensing
6. Inclusion

2020 allocations



Working Group materials reflect ongoing discussions and decision-making. Any information presented in these materials is preliminary and subject to change.

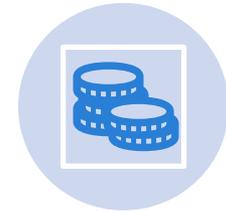
Some of the problems we hope a new system will address:



INEQUITABLE ACCESS TO HIGH QUALITY SERVICES, ESPECIALLY RACE, ETHNICITY, GEOGRAPHY, & AGE



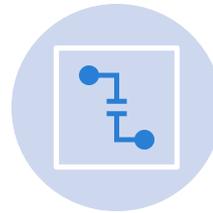
CHALLENGES FOR FAMILIES TO NAVIGATE THE SYSTEM



INSTABILITY OF FUNDING FOR PROVIDERS



INSUFFICIENT DATA TO INFORM EQUITABLE DECISION MAKING AND FUNDING



DISAGGREGATED **ACCOUNTABILITY AND DECISION MAKING**



INADEQUATE FUNDING, INCLUDING WORKFORCE COMPENSATION

Management & Oversight Capacities

REVISED BASED ON FEEDBACK TO INCLUDE RACIAL EQUITY LANGUAGE

What are the state and regional capacities that a successful ECEC management and oversight system must possess?



A successful Management & Oversight system must possess the capacity to drive our system toward equitable outcomes for children. The system must intentionally focus on racial and ethnic disparities, income disparities, language, culture, geography, and age. This requires rooting out racism and dismantling existing systems of oppression that produce inequitable outcomes and transforming policies and practices through application of a racial equity framework to reconcile past harms, establish guardrails against reproducing inequity, and lead to the development and execution of all other capacities that help children thrive.

Policy Leadership:

- Set & maintain statewide vision, goals, and priorities that drive equitable access to high-quality ECEC and equitable outcomes for children and families.
- Set quality and early learning standards and guidelines based on the science of early childhood development and informed by anti-racist approaches and the families and providers directly impacted by the standards and guidelines.
- Develop and implement system policies, rules, and regulations (including budget) based on diverse family, community, and provider perspectives and needs in response to gaps.
- Engage policymakers.
- Coordinate with other child- and family-serving state agencies and ECEC system advisory bodies to ensure comprehensive and responsive supports for families.

Funding and Oversight:

- Use data and community perspectives to drive the budgeting process.
- Make funding allocation decisions that ensure equitable allocation of resources and equitable access to quality services.
- Administer equitable funding distribution mechanisms.
- Conduct monitoring and compliance oversight designed to support equitable outcomes for all children.

Infrastructure:

- Develop leadership capacity to implement improvements to the ECEC system.
- Collect, analyze, and evaluate systemwide disaggregated data.
- Manage system level continuous quality improvement.
- Administer professional development and workforce development.

Communications:

- Regularly report systemwide disaggregated data and progress toward equitable access, quality, and outcomes.
- Provide stakeholders with clear information and engage stakeholders in the decision-making process.
- Create equitable and inclusive opportunities for collaborative decision-making with families and providers.

Management & Oversight Objectives

REVISED BASED ON FEEDBACK TO INCLUDE RACIAL EQUITY LANGUAGE

A management and oversight structure that possesses the previously described capacities will meet the following objectives:



Ensure equitable access and support equitable outcomes for children and families, with an intentional focus on race/ethnicity, income, language, age, and geography.

Plan Cohesively for Sustainable ECEC:

- Unify vision, decision making, and communication.
- Unify the definition of quality.
- Design program models and funding streams to respond to family and community needs and address system gaps and inequities.
- Adopt a diversity, equity, and inclusion framework to guide decision-making.
- Meet regulatory requirements.
- Navigate political and administrative changes.

Improve Access to High Quality & Ensure Equitable Outcomes:

- Ensure sufficient capacity at regional/local level.
- Use disaggregated data to inform decisions on resource allocation to meet system and community goals.
- Prioritize resource distribution to reconcile past underinvestment and support equitable access and outcomes.
- Fund and incentivize high quality ECEC services, including racially/ethnically inclusive opportunities for quality improvement and equitable resource distribution to underserved communities.

Improve System Transparency, Accountability & Efficiency:

- Unify monitoring, data collection, and reporting and monitor equitable access to resources.
- Send funding allocations to providers with time to plan.
- Implement systems to support simplified funding distribution and reduce duplication of effort.

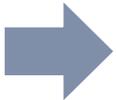
Respond to Family Need and Earn Public Trust:

- Unify family engagement and community systems strategies, engaging diverse stakeholders in an inclusive decision making process.
- Implement accountability that is focused on family perspectives, data, equitable access to high quality ECEC, and equitable outcomes for young children and families.

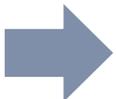
We discussed three management & oversight structures

A Framework for Choosing a State-Level Early Childhood Governance (Regenstein/Lipper 2013):

- 1. Coordination among agencies**, where administrative authority is vested in multiple agencies that are expected to collaborate with each other
- 2. Consolidation**, in which multiple programs are administered by the same agency; and
- 3. Creation**, the creation of a new agency focused on early education and care



At the state level, should the capacities be **coordinated or **centralized** for all ECEC services?**



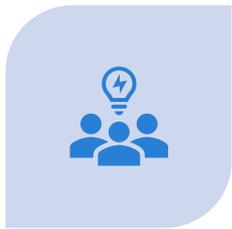
If centralized, within a current agency or a creation of a new one?

Initial Conclusion of this working group: **ECEC centralized in one agency**

- **Centralization of ECEC management & oversight** has greater potential to fulfill the capacities of a successful management & oversight system than coordination across multiple state agencies.
- Having **ECEC centralized enables deeper collaboration** across other areas of the early childhood ecosystem, public and private

How did we conclude that centralization is a better option than coordination?

- ✓ We considered that the current multi-agency structure has hindered progress and has created confusion for providers and families, including most recently with the pandemic
- ✓ We reviewed each Management & Oversight capacity area:



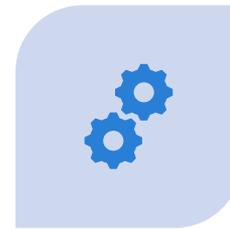
POLICY LEADERSHIP

WE NEED ONE VISION, ONE SET OF QUALITY STANDARDS, ONE AUTHORITY FOR PROVIDERS



FUNDING & OVERSIGHT

WE NEED SIMPLIFIED, STREAMLINED FUNDING ALLOCATION AND DISTRIBUTION



INFRASTRUCTURE

WE NEED SYSTEMWIDE DATA AND UNIFIED EFFORTS ON PROFESSIONAL & WORKFORCE DEVELOPMENT AND QUALITY IMPROVEMENT



COMMUNICATIONS

WE NEED A CLEAR, UNIFIED ABILITY TO LISTEN AND ENGAGE

There are three options for ECEC centralization for the Commission to consider

1



Create new ECEC Agency

2



Centralize within ISBE

3



Centralize within IDHS

Alternative: Remain in the status quo (coordination)

Points of influence in evaluating agency options



Research papers and guidance from other states



Our drafted agency capacities and objectives



Commission guiding principles



Stakeholder engagement

We have spoken with several other states* who shared this counsel with us

Consolidation

- Sharing administrative functions within a larger agency can deprioritize ECEC administrative needs (such as research, annual reporting, legal, etc.)
- “Shared services was a big impediment to progress.”
- Doesn’t allow for opportunity to create a new, unified culture focused on high-quality ECEC
- Recommend identifying separate physical location even if consolidating
- Making an agency too large can make it dysfunctional

Creation

- Standalone agencies often seen as state leader and catalyst for convening across ECEC; has led to increased profile of and demand for high-quality ECEC services
- Can take 18 months to execute, including planning time
- Requires small start-up cost in initial year to be successful, then marginal administrative savings
- Incremental approach can make transition more manageable, but ultimately can cause problems with culture and cohesion

*** *Conversations with Georgia, Washington, Alabama, Illinois***

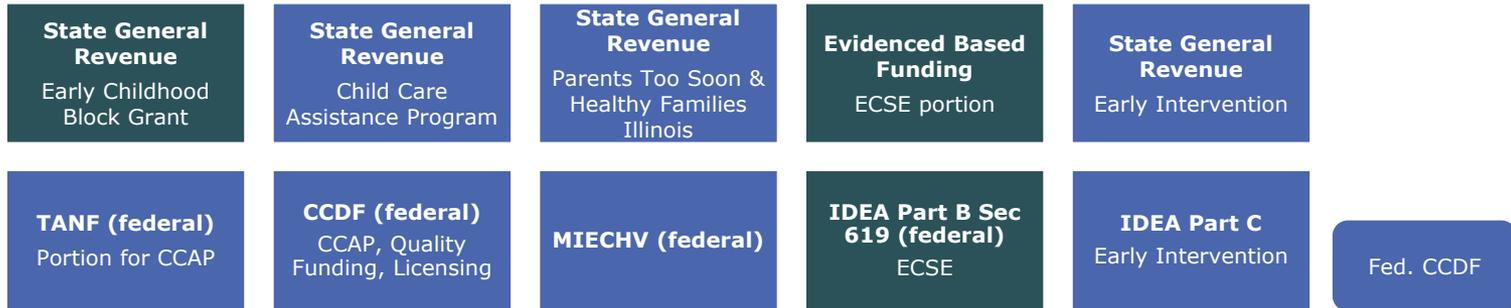
In prior meetings, we have discussed the pros & cons of creating a new agency vs. centralization into ISBE or IDHS

- Each option has potentially **significant advantages and disadvantages**
- There was **more discussion around a new agency** than a centralization into ISBE and IDHS
- This working group's discussion focused on matters pertaining to:
 - **Racial equity**
 - **Agency leadership attraction and retention**
 - **Mixed delivery system**
 - **Ability to enact the coordinated system of funding**

One of the major responsibilities of a centralized agency will be the strategic and administrative oversight of a new, centralized system of funding

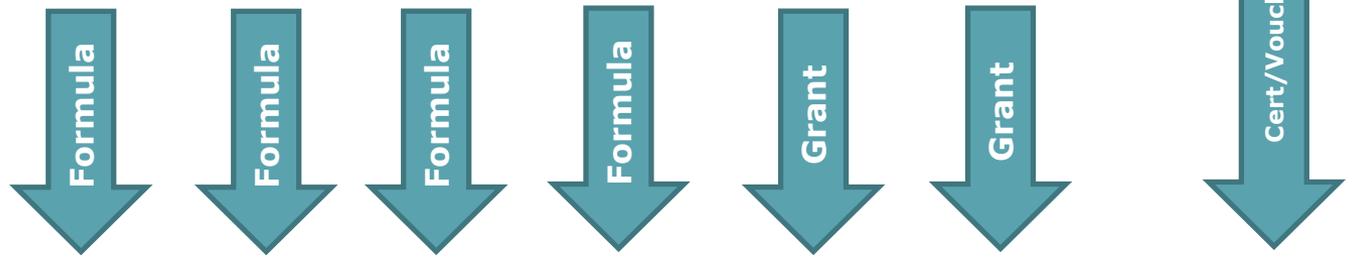
Funding Sources

Currently ISBE
Currently IDHS



ECEC Agency Coordinated System of Funding

Contract designates...



Funding Distributions



Working Group materials reflect ongoing discussions and decision making. Any information presented in these materials is preliminary and subject to change.

State Agency Considerations

Creation of a New State Agency



PROS

- + Exclusive ECEC mission focus
- + Elevates ECEC policy matters
- + Creates clear lines of authority on ECEC matters
- + Creates statewide ECEC leadership and a cabinet level voice for ECEC
- + May be easier to find exceptional talent to lead a new agency
- + Has led to increased profile of and demand for high-quality ECEC services
- + Requires and allows for outlining of leadership capacities at each level of bureaucracy
- + Creates one accountable entity for racial equity and other work

CONS

- Difficult and complex: likely requires 2-3 years to fully accomplish
- Requires larger investment in change management and culture change to achieve desired results
- Implementation may serve as a distraction from external ECEC work
- Separates ECBG-funded ECEC programs from K-12
- Could require determining a way to split TANF funds into ECEC and non-ECEC portion and send ECEC portion to new agency to administer

Other Notes

- An incremental approach to agency creation can make the transition more manageable, but ultimately can cause problems with culture and cohesion

Consolidation into Illinois State Board of Education (ISBE)



PROS

- + Alignment with K-12, infuses **education focus**
- + Alignment across **EI, ECSE, and other IDEA services** in K-12
- + Leverages **existing infrastructure** and economies of scale
- + Streamlines **funding disbursement to schools**

CONS

- ECEC could be **deprioritized** and treated as an appendage to K-12
- ECEC **administrative needs could be deprioritized** (such as ECEC equity report, research, annual reporting, counsel, etc.)
- Potential for **mission and culture conflicts** – doesn't allow for creation of a new unified culture focused on high-quality ECEC
- Risk of **funding being intermixed and/or cut** within the existing agency
- Existing **infrastructure may not match** ECEC needs
- May be **harder to find exceptional talent** to lead within an existing agency
- School-based system **may not meet community-based provider needs**
- Experts recommend creating a **separate physical location** even if ECEC is being consolidated
- Could require determining a way to **split TANF funds** into ECEC and non-ECEC portion and send ECEC portion to ISBE to administer

Other Notes

- ISBE is a non-code, board-governed state agency
- Regional supports more likely to flow through ROEs, which are robust but independently governed

Consolidation into Illinois Department of Human Services (IDHS)



PROS

- + Opportunity to strengthen connection between ECEC and other human services programs (however, this has not necessarily been the case historically)
- + Leverages existing infrastructure and economies of scale
- + If vision and implementation go off track, restructuring may be easier than a standalone agency

CONS

- ECEC administrative needs could be deprioritized (such as ECEC equity report, research, annual reporting, counsel, etc.)
- Potential for mission and culture conflicts – doesn't allow for creation of a new unified culture focused on high-quality ECEC
- Risk of funding being intermixed and/or cut within the existing agency, deprioritizing ECEC
- Existing infrastructure may not match ECEC needs
- May be harder to find exceptional talent to lead within an existing agency
- ECEC might get "lost" in such a large agency
- Community-based system may not meet school-based provider needs
- ECBG-funded ECEC programs separated from K-12

There is a fourth option: Status Quo (Coordination)

Question:

Why doesn't the status quo (coordination across agencies) fit with our objectives?

Answer:

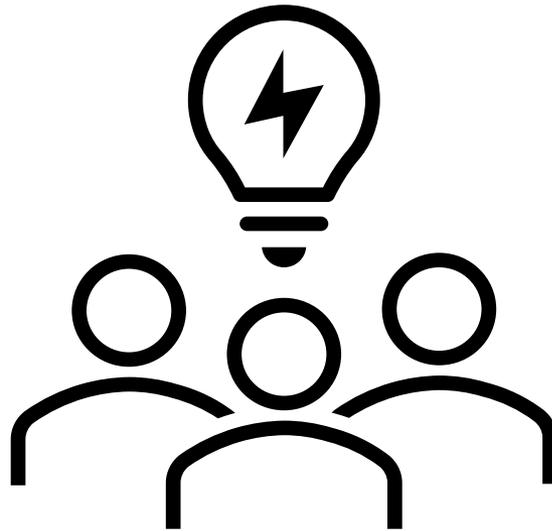
Multiple agencies would need to:

- Adopt and maintain one vision for both childcare and education
- Adopt and maintain one set of quality standards
- Act as one authority for providers
- Design, implement, and maintain a centralized funding allocation and distribution
- Jointly advocate for policy and funding
- Design, implement, and use one data system
- Conduct unified professional & workforce development and quality improvement
- Act as one stakeholder engagement authority

Discussion

Which option has the **most potential** to meet our objectives, fulfill the capacities, and solve the system's most significant problems?

Wrapping up discussion



Technical Working Group

Scope of Technical Working Group

August - December 2020

- Affirm the **viability and feasibility** of our working groups' recommendations in **Illinois' legal, fiscal, and political context**
- Lay the **groundwork for successful implementation** of the Commission's recommendations

Sample topics the Technical Working Group can address



What is required to move a **bargaining unit** from one agency to another?



What would be the impact on various **types of labor** with a move from one agency to another?



What **laws, rules, and policies would need to be changed** to move various early childhood functions from one agency to another?



Is it possible to **move each source of funding** in the way our recommended centralized system of funding envisions?



Which agency capacities and/or provider service areas might require a **regional structure** to be successful?



What is required from **advisory groups** to support a successful new system?



What is the **one-time and recurring cost impact** associated with creating or consolidating into one agency?

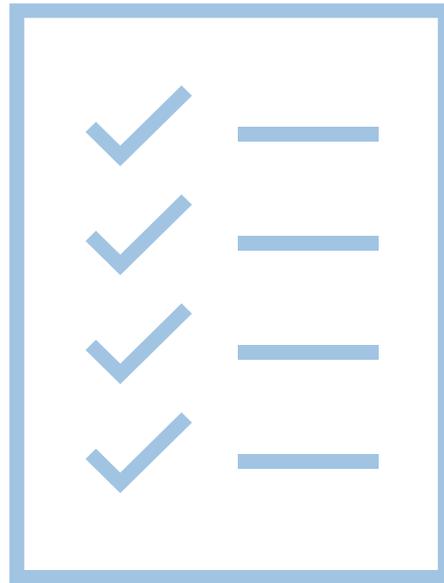


What is the **cost of inaction** for the various alternatives proposed in the recommendations?



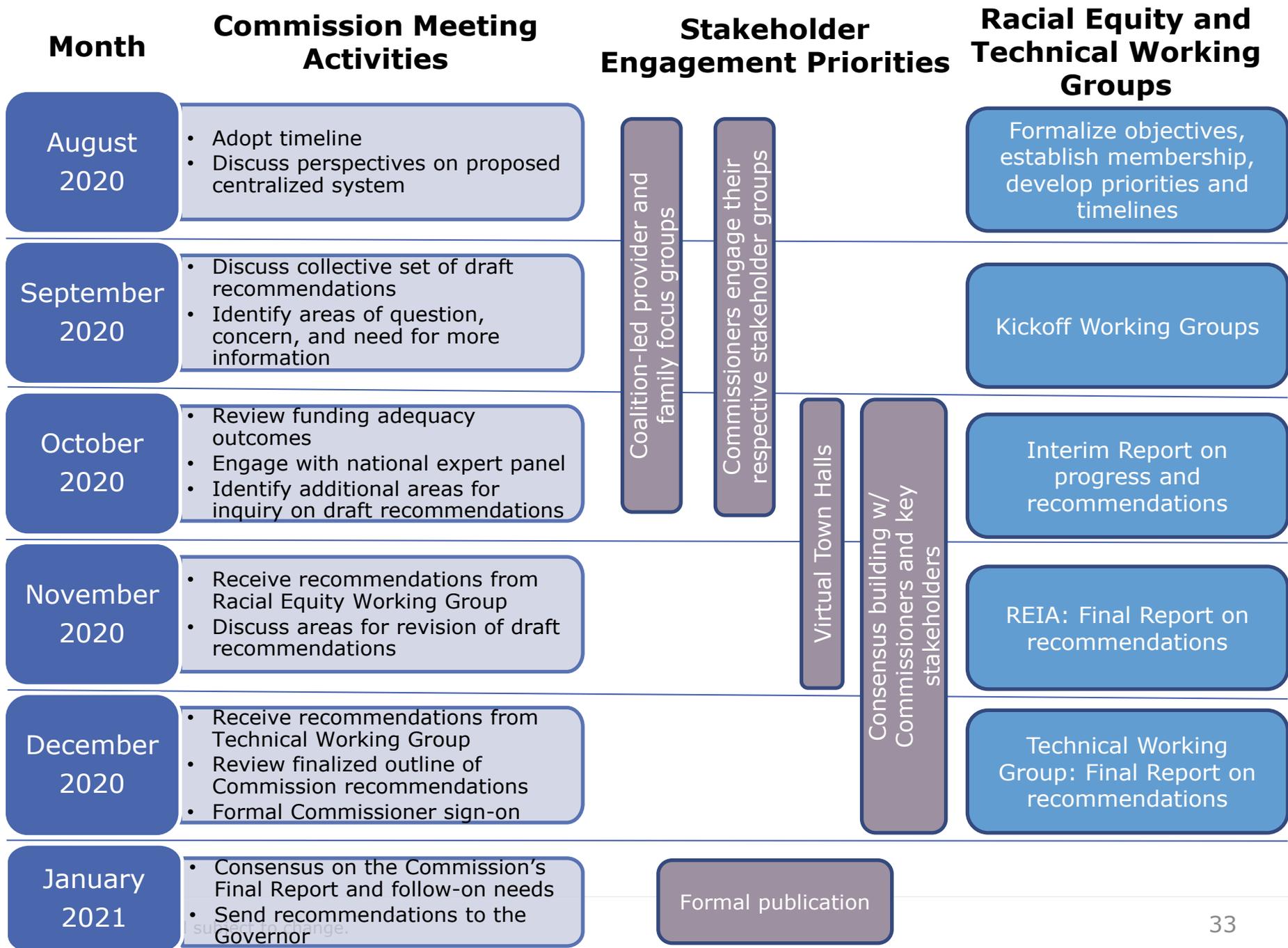
What is the **plan for implementing** the Commission's recommendations?

What are our working group's priorities for the Technical Working Group?



There may be value in having **one more Management & Oversight working group meeting**

Next Steps



Working Group Member Reflections

What parts of today's discussion **gives you hope?**

What **causes you pause?**

Public Comment

THANK YOU



Supplemental Slides

Commission's Charge

"The Commission shall study and make recommendations to establish funding goals and funding mechanisms to provide equitable access to high-quality early childhood education and care services for all children birth to age five and advise the Governor in planning and implementing these recommendations."



Commission Guiding Principles

These Guiding Principles reflect the Commission's values and beliefs, guide how it operates, and lay a foundation for decision-making.

High Quality ECEC is a Public Priority

- It should be invested in as such as this is critical to our State's workforce, economy, and welfare of its residents.

Ensure Equity

- We will endorse a system that ensures equitable outcomes for children, with intentional focus on race, ethnicity, culture, language, income, children's individual needs, and geography.

Embrace Bold System-Level Changes

- Everything is on the table, including how funding flows, how funding decisions are made, and who makes them, to better serve all children and families.

Build Upon the Solid Foundation

- We will build upon the successes of Illinois' past and current system, its commitment to a prenatal to five system, the lessons from other states, and the expertise and research in the field.

Prioritize Family Perspectives, Needs, and Choices

- We will prioritize families' perspectives, needs, and choices as we make recommendations to improve the system.

Design for Stability and Sustainability

- We recognize our system must provide funding stability for providers, educators, and staff across mixed delivery settings to better serve families.

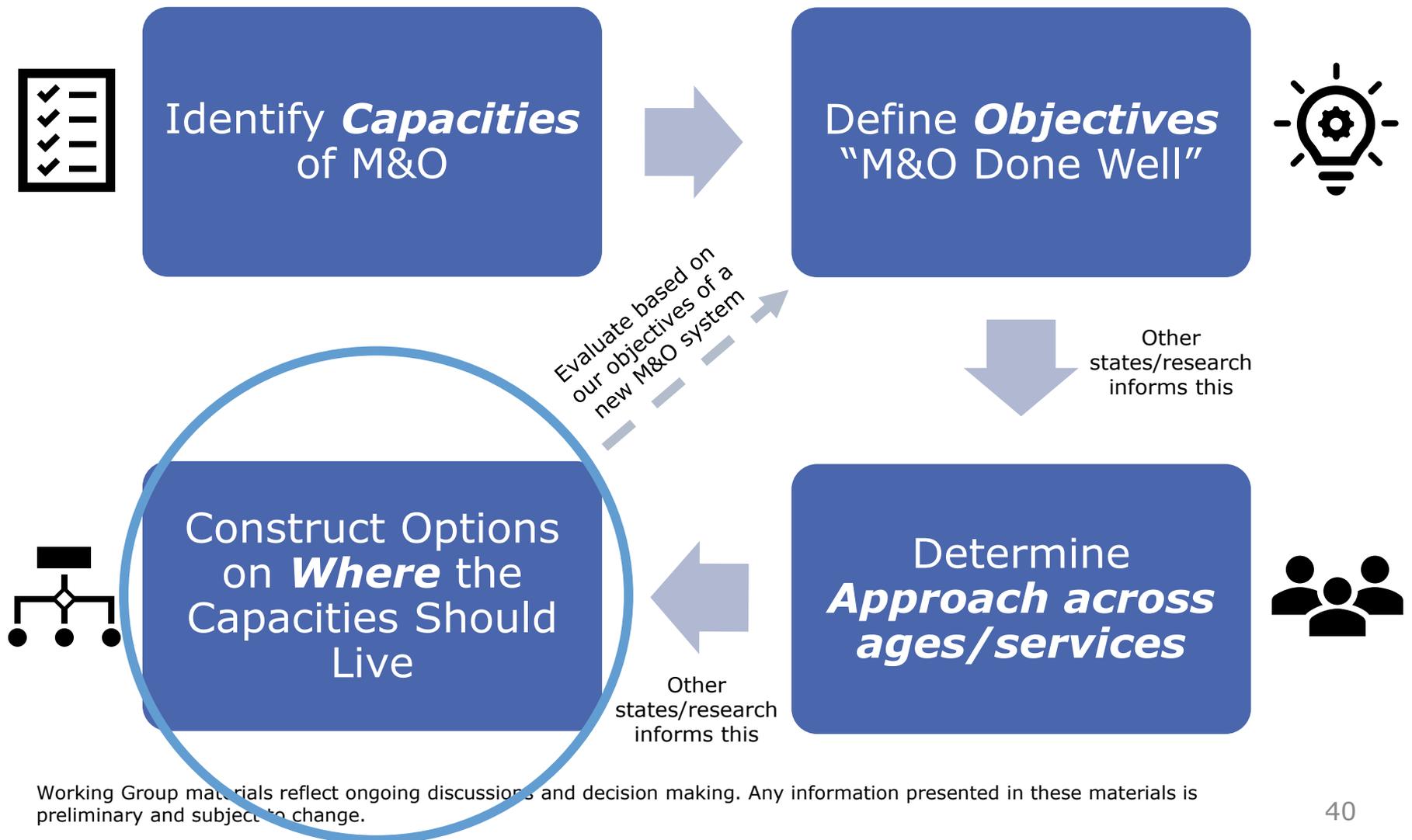
Require System Transparency, Efficiency, and Accountability

- We see these as necessary conditions for all stakeholders, funding distributors, and funding recipients for any future ECEC funding structure.

Recognize Implementation Realities

- We will plan for meaningful change over a multi-year time horizon.

Process: How We Get to End State M&O



Policy Leadership M&O Capacities



Capacities	Example Activities
Set & maintain statewide vision, goals, and priorities	<ul style="list-style-type: none"> • Define ECEC equity • Conduct periodic system equity audit of funding and access to high-quality ECEC services • Institute system accountability team and/or measures to monitor system change transition and outcomes over time
Set quality and early learning standards and guidelines	<ul style="list-style-type: none"> • Set unified workforce qualifications, competencies, and standards
Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps	<ul style="list-style-type: none"> • Reconciliation and integration of licensing regulations for all ECEC programs • Use equity audit, accountability measures, and stakeholder input to inform funding distribution policy and quality improvement policy
Engage policymakers	
Coordinate with other child- and family-serving state agencies and ECEC system advisory bodies	<ul style="list-style-type: none"> • Create advisory body/bodies composed of state agency leaders across comprehensive early development, nonprofit and private entities across comprehensive early development, providers, and families and community members

Funding & Oversight M&O Capacities



Capacities	Example Activities
Use data and community perspective to inform the budgeting process	<ul style="list-style-type: none">• Periodically update ECEC funding adequacy
Making funding allocation decisions	<ul style="list-style-type: none">• Co-create funding allocation rules and policies alongside regional ECEC representatives informed by stakeholder input and local knowledge of ECEC supply and demand• Design and administer targeted, equity-informed competitive bid RFP process for new system entrants• Design and administer long-term contracting process for existing ECEC public funding recipients
Administer funding distribution	
Conduct monitoring and compliance oversight	<ul style="list-style-type: none">• Across publicly funded and privately funded ECEC slots and programs

Infrastructure M&O Capacities



Capacities	Example Activities
Develop leadership capacity to implement improvements to the ECEC system	
Collect, analyze, and evaluate systemwide data	<ul style="list-style-type: none">• Conduct periodic system equity audit of funding and access to high-quality ECEC services
Manage system level continuous quality improvement	<ul style="list-style-type: none">• Set and execute a vision for continuous quality improvement across the ECEC system, including rationalization of the quality, funding requirements, and licensing systems and incentive to support quality improvement
Administer professional development and workforce development	<ul style="list-style-type: none">• Reconcile and integrate professional development and workforce regulations and qualifications across the ECEC system

Communications M&O Capacities



Capacities	Example Activities
Report systemwide data	<ul style="list-style-type: none">• Create statewide and regionally disaggregated ECEC equity report card
Provide stakeholders with clear information and engage stakeholders in the decision-making process	<ul style="list-style-type: none">• Leverage regional entities as hubs for communication and local input / decision-making• Leverage regional entities for community systems development, coordinated intake, etc.
Create opportunities for input from families and providers	<ul style="list-style-type: none">• Create advisory body for providers, families, and community members

Several resources can guide our discussions

State Governance Changes Analysis

This table summarizes insights about changes in governance structures gleaned from advocates in other states. It includes a description of the governance structure in the state; an explanation of the development of the structure, including why it was created and the roles of key stakeholders in creating it; the impact that the change of structure had; and key lessons learned. [Anything else?]

**Zumwalt and Saterfield,
2018**



A Framework for Choosing a State-Level Early Childhood GOVERNANCE SYSTEM

Elliot Regenstein, J.D.
*Senior Vice President
Advocacy and Policy*
Ounce of Prevention Fund

Katherine Lipper, J.D.
Policy and Legal Advisor
EducationCounsel LLC
May 2013

Regenstein and Lipper, 2013

Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois

Three program governance models are under consideration to administer approximately 14 early childhood programs/funding streams. All of these programs contain a mixture of program administration, operations and personnel. The larger the program the more complex these components become and the more difficult to bring about a change in governance.

A brief review of the programs and how they are currently administered at their respective state agencies will help inform this process. While the program administration aspect is most familiar to the public and providers, the infrastructure that supports these programs operates behind the scenes and can be quite complex.

Nourse, 2017

Commission staff
discussions with
Washington,
Alabama, Georgia,
Delaware, and Illinois



Regenstein, 2020

Working Group materials reflect ongoing discussions and decision making. Any information presented in these materials is preliminary and subject to change.

“Early Childhood Governance Decision Guide” (2020, E. Regenstein)



- The choice of a state-level structure will be influenced by how strongly the state wants to connect early childhood to education, and by which specific programs and services the state wants to include in a governance change.
- Some states have strongly prioritized creating higher-level leadership as part of a governance change.
- Some states deliver services through decentralized or regional services, which can impact how state government is organized.
- States should consider whether there is a particular size of agency that is likely to be most successful in the state’s political landscape.
- How independently agencies operate should influence the governance structure.
- Consolidating programs into a single agency can provide benefits for managing a complex system.
- Any agency having new programs added to its responsibilities must be prepared to deal with new constituencies, which requires preparation for both practical and cultural changes.
- Regardless of where a state chooses to place early childhood services, there will be a need for connections across agencies – and those connections require dedicated capacity to manage.
- In thinking about connections across the early childhood system states should recognize that intra-governmental connections and inside-outside connections are both important and may require different support structures.

“A Framework for Choosing a State-Level Early Childhood Governance” (Regenstein/Lipper 2013)

Creation of a New State Agency

PROS

- + Exclusive mission focus
- + Elevates ECEC policy matters
- + Creates ECEC leadership
- + Clear lines of authority

CONS

- Initial cost of start-up (followed by small administrative savings)
- Implementation distraction from the external work

“A Framework for Choosing a State-Level Early Childhood Governance” (Regenstein/Lipper 2013)

Consolidation into Existing State Agency

PROS

- + Might requires less infrastructure build
- + If vision and implementation go off track, restructuring may be easier than a standalone agency

CONS

- Risk of being treated as an appendage
- Potential for mission conflicts
- Risk of funding intermixed with existing agency
- Risk that existing infrastructure will not match needs

“Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois”

(2018, Zumwalt & Saterfield)



- It will be important to articulate a much more compelling case for making a change in the way governance is currently structured
- Three governance models were discussed
 - Standalone Agency
 - Pennsylvania Model
 - Authority Model (which is counter to our centralization decision)



Standalone Agency

- Pro: This creates a voice at the cabinet level focused on early childhood. It strengthens the relationships and dialogue across early childhood program areas. It places programs under one authority and presumably will allow Illinois to realize its vision of an integrated system of quality early learning programs that support the healthy development of Illinois children.
- Con: This is the most difficult of the three options to implement. It is not a simple process and would likely take two to three years to accomplish.

Pennsylvania Model

- Pro: This model would be a step toward better collaboration among programs and may achieve some efficiencies. Staff that are housed together begin to form alliances and network with one another and barriers naturally begin to break down. Department heads would not "lose" any programs and cooperation is much more likely. Staff will be able to maintain their same benefits and union representation.
- Con: The programs under consideration for management are currently housed in three state agencies making this model more complex than in PA. Agencies use different hiring procedures and staff at ISBE are under a different union contract than staff at DHS and DCFS. Change in staff location may impact bidding rights.

We've said centralization in one agency has greater potential than coordination

